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Gentlemen, in coming before you today with the Budget of CIA for the Fiscal Year 1951, I wish to thank you for all the consideration you have shown us in the past and to assure you that we will do as much as we possibly can in the future to continue meriting such consideration.

The Budget for the entire CIA for the Fiscal Year 1951 represents an

25X1 increase over the [] granted for 1950 of [] 25X

25X1 of this [] for which we are asking, [] is for 25X

the use of OPC which receives its policy guidance and direction from the Departments of State and Defense. Mr. Wisner, the head of OPC, is here to explain his part of the Budget, and I now ask him to present his case.

The Budget for CIA proper, excluding OPC, is in round numbers, [] 25X

25X1 [] an increase of about [] over what we have received 25X

in the present Fiscal Year. This increase is caused, primarily, by increases in personnel and, consequently, the scope of operations in two of our offices-- The Office of Scientific Intelligence and the Office of Special Operations.

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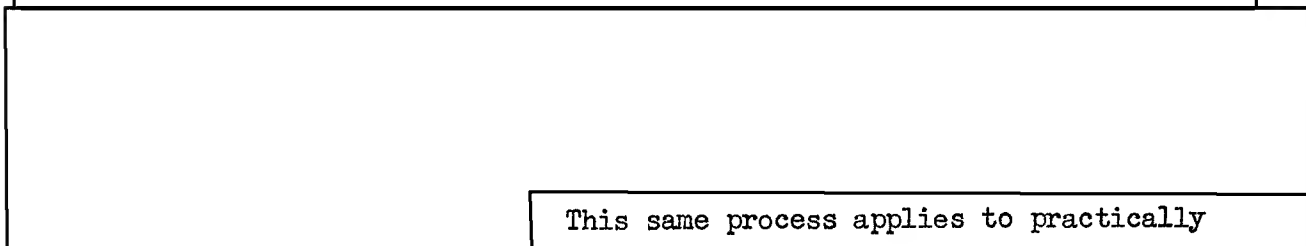
The increase in personnel requested for the Office of Scientific Intelligence is required because of the fact that this Office was set up as a separate entity in January 1949; and because of the difficulties in recruiting scientifically competent personnel, we have not been able to bring it up to an authorized strength.

The increase requested for the Office of Special Operations very frankly is due to an increase in the number of personnel required for expanding our operations and by an increased cost of the operations themselves. One of the factors relative to the increased cost of the operations has been the devaluation of most of the currencies of the world

25X1



25



This same process applies to practically all other countries where devaluation has occurred.

X1



I can assure you we have gone over this Budget time and again in an effort to reduce it, and I believe now we have reached the barest minimum on which we can effectively operate for the Fiscal Year 1951.

I had hoped, before bringing this Budget to you, to receive its formal approval by the National Security Council. However, four weeks have elapsed since the last National Security Council meeting, and formal approval will have to await the next meeting of the Security Council.

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I can tell you, however, that representatives of the Secretary of Defense and the Secretary of State have examined this Budget, and we have received informal approval from those Departments for its submission.